Statement

Efforts were made in the past few months to revive the debate on restructuring of Department of Telecom including the option of corporatisation with a view to take a decision in the matter. Meetings were held with the representatives of staff union/officer's Associations. The National Federation of Telecom Employees and the Federation of National Telecom Organisation initially indicated that the proposed restructuring (by way of corporatisation) may be effected through an Act of Parliament thereby creating a statutory corporation which would obviate such problems as immediate payment of retirement benefits, hike in staff wages, payment of retirement benefits, payment of taxes and the apprehension of staff that there would be eventually privatisation. It was also indicated that the financial viability of the corporation and also service conditions of the employees needs to be looked into. The Bharitiya Telecom Employees Federation indicated that they are not in favour of corporatisation on the ground that, as a business oriented unit, the corporation may not be inclined to carry out social obligation. Similarly, All India Telecom Employees Union Class III (Namboodiri) was also not in favour of corporatisation.

Divergent views have been expressed by different service Associations/Unions with regard to the corporatisation of DOT. The Indian Telecommunications Service Associations (ITSA) was of the view that there is no need to corporatise the operating wing of DOT as these functions can be performed satisfactorily within the governmental set-up.

The proposal to convert the operating arm of Department of Telecommunications (DOT) into a corporation has been under consideration. However, at this stage, the objective is proposed to be achieved by setting up a Telecom Services Board to manage the service operations of DOT.'

**Telephone Tariff**

539. SHRI RAHASBIHARI BARIK: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to increase the tariff of telephones;

(b) if so, the details thereof;

(c) whether Government have received any objections on the above proposals; and

(d) if so, the details thereof and the action taken by Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA): (a) and (b) The TRAI formed under the TRAI Act, 1997 has been entrusted with the function of fixing tariffs of various telecom services. The TRAI has brought out a consultation paper on telecom pricing suggesting interalia increase in rental and reduction in long distance tariff to rebalance the tariff. The proposal of TRAI summarised at Annexure (*See* Appendix 185, Annexure No. 13] are at present being discussed by TRAI with Service Providers, Consumer organisations and the general public, etc. to elicit their response.

(c) and (d) After circulation by TRAI of their consultation paper representations from some individual consumers and consumer organisations have been received pleading for reduction in rental. These have been forwarded to TRAI for appropriate action.

**Unpaid Bills of DOT and MTNL**

540. KUMARI NIRMALA DESHPANDE: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that unpaid bills of the Department of Telecommunication (DOT) and Mahanagar Telephone Nigam

Ltd. have reached a staggering proportions of Rs. 3,500 Crore;

(b) if so, the details thereof, Metropolis/major city-wise, for DOT and MTNL separately, for the last five years, year-wise and their negative impact on net revenues;

(c) the details of the steps taken/ proposed to deal with the phenomena; and

(d) the names of top ten defaulters of MTNL and DOT?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA): (a) to (d) The information has been called for and the same will be laid on the Table of the House.

**Licence Fee by Cellular Operators**

541. SHRI RAMDAS AGARWAL:
SHRI KRISHNA KUMAR BIRLA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that faced with the prospect of paying a licence fee of Rs. 6,000 per subscriber annually, all the eight metro cellular operators have refused to pay licence fees to the Department of Telecommunications (DOT);

(b) if so, what are the names of such companies, licence area, number of subscribers, project cost and total dues towards the DOT from each one as on date and the steps being taken to return the same;

(c) whether any "Arbitration in the offing" as reported in the Hindustan Times dated 24th October, 1998 as per Clause 16 of the Metro Licence Agreement signed between the Cellular Operators Association of India (COAI) and DOT; and

(d) if so, reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI KABINDRA PURKAYASTHA): (a) The licence fee for the 4th year onwards has been fixed as Rs. 6,023 lakhs per hundred subscribers or part thereof per annum subject to the minimum prescribed in the Licence Agreement. All the operators have made part payment towards the first quarter of 4th year licence fee and have represented individually and through the Cellular Operators Association of India (COAI) for reduction in the licence fee for 4th year.

(b) Details are given in statement (see below) except project costs which are not being maintained by the Department. All operators have been asked to make payment as per agreement.

(c) and (d) No agreement exists between the COAI and DOT. Since Licence Fee demanded is well within the agreed conditions of the Licence Agreement signed by the individual licensee with the DOT, there in no case for arbitration.

**Statement**

*Operatorwise position is as under:—*

| Name of licensee | Agra | Amount outstanding on 15.11.98 (Rs. in Crs.) | No. of subscribers as on 30.9.98 |
|---|---|---|---|
| M/s Modi | Calcutta | 3.80 | 19105 |